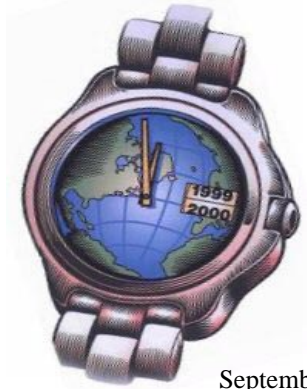


The Year 2000 Are You Ready?



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Year 2000 Gets Real

The Department of the Interior will have its “mission-critical” computers fixed by 2005. The State Department will finish that work by 2027. AID won’t be ready until 2023. And the Justice Department and the Department of Education are so far behind that that won’t be ready until after 2030.

Source: House Government Reform and Oversight Subcommittee, September 1998

Did You Hear The One....

Yeltsin, Clinton and Bill Gates were invited to have dinner with God. During dinner God told them “I need three important figures to send my message out to all people - Tomorrow I will destroy the earth”. Yeltsin immediately called together his cabinet and told them “I have two really bad news items for you: 1. God really exists and 2. Tomorrow God will destroy the earth”. Clinton called an Emergency meeting of the Senate and Congress and told them “I have Good news and Bad News: 1. God really does exist; 2. The bad news is tomorrow God’s destroying the earth”. Bill Gates went back to Microsoft and happily announced “I have two fantastic announcements: 1. I’m one of the three most important people on earth and 2. The Year 2000 problem is solved”.

The Millennium Bug News



Is the Transportation Industry Ready for the Year 2000? Only a third of transportation agencies and companies have fully assessed how their systems will be affected by any glitches, and only half have begun preparing contingency plans for major disruptions. That’s the finding of Senator **Robert Bennett**’s Special Year 2000 Committee’s survey last Thursday that assessed the transportation industry and their Year 2000 computer readiness. In addition, only 16 of the 32 major airlines, airports, railroads, maritime shippers, trucking companies and city transit agencies even responded to the committee survey. *“We made this survey so simple that I can only conclude that those who didn’t respond are either unaware of the severity of the problem or are embarrassed over their lack of progress”* stated Senator Bennett. Among the other findings:

- Only a third of the respondents have completed an assessment of what systems could be affected by the bug.
- None have completed contingency plans, and only half have begun to create them.
- Half anticipate being involved in litigation over the problem.
- Ninety-four percent expect to have their systems fixed in time, an assessment characterized as “overly optimistic” by committee staff, given the low rate of completed assessments.

Contact: Robert Cresanti at (202) 224-9282



Y2K REPORTS AND WEBSITES

GAO Reports: www.gao.gov

Year 2000 Computing Crisis: Strong Leadership and Effective Partnerships Needed to Mitigate Risks, GAO/T-AIMD-98-277, *September 1*

CRS Reports: <http://freedom.gov>

Year 2000 Problem: Activity in the 105th Congress, *Updated September 9th*

Year 2000 Problem: Chronology of Hearings and Legislation, *Updated September 8th*

Office of Management and Budget : www.cio.gov/y2k6q.htm

6th Quarterly Report

Rep. Horn Grades Federal Departments and Agencies: Rep. **Steve Horn**, chairman of the House Subcommittee on Government Management, Information and Technology, gave the Clinton administration a "D" last week for its efforts to fix computer glitches before the millennium. Horn's overall assessment is a notch higher than the failing grade he gave the administration in June. Of the 24 agencies Horn graded, six received F's, seven D's, three C's, five B's and only three A's (see table page 3). *"We should be cautious, however, about using the word 'improvements' in the context of a D grade,"* Horn said. *"As a former professor, I have seen students flunk out of college by earning too many D's. This is not a grade you take home to your parents, and it is definitely not a grade to take back to the voters and taxpayers."* (*Federal Computer Week*, 9/9/98) **Contact Russell George at (202) 225-5147**

Y2K Information Disclosure: A broad coalition of the business community, led by the National Association of Manufacturers, U.S. Chamber of Commerce, American Bankers Association and electrical utilities, has expressed strong support for H.R. 4455, the bipartisan Dreier-Eshoo **Year 2000 Readiness Disclosure Act**. This broad business support has prompted some movement by the Clinton Administration toward an improved bill. The Senate Judiciary Committee, which is scheduled

to mark up a Y2K information disclosure bill this week, is negotiating with the Clinton Administration and telecommunications industry representatives to slightly modify H.R. 4455 and arrive at a consensus bill. **Contact Brian Bieron at (202) 225-2305**

Legal Lawsuits Begin: "In one of the first battles in what promises to be a long and titanic legal struggle over Year 2000 computer woes, the maker of the financial software Quicken was engaged in the first Year 2000 lawsuit. The on-line banking package in several older versions of Quicken, which is made by Intuit Inc. of Cupertino, Calif., flashes an "error" message when called on to deal with dates on or after Jan. 1, 2000. When the lawsuit was filed late last year on behalf of hundreds of thousands of Quicken users, Intuit became one of the first targets of class action litigation asserting liability for Year 2000 problems. A California judge's recent decision to dismiss the lawsuit in its current form gave Intuit, and perhaps other software companies, some breathing room to work out strategies intended to minimize their liabilities from Year 2000 problems." (Cont. on page 3)

UPCOMING EVENTS

House Education and the Workforce Subc. on Oversight and Investigations

"Year 2000 Problem at Labor and Education Depts."

Pete Hoekstra Sept. 17th

House Banking Committee

"Progress of the US Banking Industry"

James Leach Sept. 17th

House Science Subcommittee

"The Consumer Impact of the Year 2000"

Connie Morella Sept.. 24th

House Veterans' Affairs

"Year 2000 Medical Device Issues"

Bob Stump Sept. 24th

House Transportation Committee with House Gov't Reform and Oversight Subc. and House Science Subc.

"Year 2000 and Aviation"

Bud Shuster, Steve Horn, Connie Morella Sept. 29th

House Government Reform and Oversight Subc. Release of Committee Report

Steve Horn Late September

GRADING THE FEDERAL GOVERNMENT

	Mission Critical	Estimated Year Done	Done by March 1999	Grade
Systems				
Social Security Administration	308	1999	99	A
National Security Foundation	17	1999	100	A
Small Business Administration	42	1999	98	A
General Services Administration	58	1999	91	B+
Commerce	455	1999	100	B
Environmental Protection Agency	58	1999	92	B
Veterans Affairs	319	1999	88	B-
Federal Emergency Mgmt. Agency	49	1999	82	B-
Nat. Aeronautics and Space Admin.	158	2000	74	C+
Agriculture	647	1999	89	C
Housing and Urban Development	62	1999	78	C
Treasury	323	2000	61	D+
Transportation	616	1999	70	D
Office of Personnel Mangement	111	2000	65	D
Defense	2965	2001	54	D
Labor	61	2001	52	D
Interior	91	2005	37	D
National Regulatory Commission	7	2001	43	D
Health and Human Services	298	2002	48	F
Energy	411	2002	47	F
State	59	2027	37	F
Justice	207	2030+	31	F
Education	14	2030+	29	F
Agency for International Developement	7	2023	16	F

Source: Chairman Steve Horn, Government Reform Subcommittee on Government Management, September 9, 1998

The Millennium Bug News

(continued from page 2)

The dismissal was mainly based on the reasoning that no demonstrable damages had yet occurred to the plaintiffs because the program had not yet failed as a result of the millennium bug." (Source, *New York Times*, 9/7/98)

Fed Reserve Stocks Up on Cash: In what has been termed a "purely precautionary measure," the Federal Reserve has announced plans to print an additional \$50 billion by the end of next year. The Federal Reserve is estimating that the average American household will withdraw an extra \$450. The \$50 billion is in addition to the \$150 billion normally held in reserve and the \$460 billion currently circulating at home and abroad. The hope is that this extra stash will be enough to cover potential bank runs by concerned consumers who fear that their credit card or ATM card won't work on January 1,

2000. **Yahoo! News Technology Headlines, "Fed prints more currency ahead of Year 2000" (8/20/98) and USA Today (8/20/98)**

Y2K Hearing on Financial Services Industry: Chairman **James Leach** of the House Banking and Financial Services Committee will hold the committee's final Year 2000 hearing of the 105th Congress on September 17th. *"This hearing will focus on the Year 2000 progress of the U.S. banking and financial services industry, following up on a June hearing on the Year 2000 status of the international banking sector,"* Leach said. *"The Committee will also hear testimony on the importance of Year 2000 readiness among customers, telecommunications networks and electric power."* The committee will hear from both public and private sector in the banking and financial community. **Contact David Runkel at (202) 226-0471**